



WISCONSIN

**DEPARTMENT OF WORKFORCE DEVELOPMENT**  
Division of Workforce Solutions  
Bureau of Partner Services

**TO: Economic Support Supervisors  
Economic Support Lead Workers  
Training Staff  
Child Care Coordinators  
W-2 Agencies**

**FROM: Amy Mendel-Clemens  
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**BPS OPERATIONS MEMO**

**No.: 02-33**

**File: 7070**

**Date: 5/20/2002**

**Non W-2 ☐ W-2 ☐ CC ☒**

**PRIORITY: Medium**

**SUBJECT: CHILD CARE EFT PAYMENTS**

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**CROSS REFERENCE:** OM 01-45

**EFFECTIVE DATE:** August 1, 2002

**PURPOSE**

The Department is moving to use Electronic Funds Transfer (EFT) as a payment method for child care providers who care for Wisconsin Shares subsidized children.

**BACKGROUND**

The Child Care Payment System (CCPS) generates over 16,000 payments each month. The average monthly issuance is over \$20 million. The system issues approximately 13,000 checks each month.

**MOVING TO EFT-PAYMENT METHOD**

Effective November 1, 2002, the Department will use EFT as a payment method for providers who care for subsidized children. The EFT method saves administrative costs and is the safest and fastest way for providers to receive payments. Currently, 30% of providers are using this method.

### BENEFITS OF EFT

- 1) EFT is the most secure and fastest way of receiving payments. The department will continue to send EFT remittance reports by mail to providers, however, the remittance report is also available on the Child Care Provider Information Web (CCPI) on the day of the issuance (Monday morning).
- 2) A decreased number of lost checks.
- 3) No check-cashing fees because the payment is deposited directly to a provider's account.

### POTENTIAL PROBLEMS WITH SETTING UP EFT

**Providers do not have bank accounts.** The Office of Child Care has contacted various banks and banking associations to investigate this matter. If a person has a bad credit history, a bank might refuse to open a checking account, however, s/he can open a **savings** account.

**Transfer failures:** Failures occur if the EFT information is not entered correctly into the CARES system. The providers should notify the local agency if their bank account closes to avoid a transfer failure. If a failure happens, DWD is notified within two days of the failure. A check to cover the failed EFT issuance is processed the following day. A transfer failure is faster to correct than a lost or damaged check.

### EFT PROCEDURES

Local child care staff should be prepared to enroll providers in EFT through the Child Care Payment System transaction "CCPE." Providers are required to provide their bank name, routing number, account number, and account type. It is very important that, when CCPE information is entered, the name in the account name field matches the bank account name.

**Example,** if the name of the provider in CCPS is listed as "Tina's Tiny Tots" but the bank account is in the name of "Tina Tucker," the name on CCPE should be "Tina Tucker" or the bank may fail to deposit the funds in the appropriate account.

**NOTE ➤** The bank account number must be in the bank account field on CCPE, not the transit routing number (a frequent error).

Before completing CCPE, the worker should confirm that the bank and branch are included in the CARES financial institution (FI) listing found in transaction BIBA. If the bank is not included in BIBA or if the listing is incorrect or if the worker has any question about the listing, please contact Kathy Kerst, DWD Bureau of Finance at (608) 266-7847. Kathy can also be reached by e-mail at [kerstka@dwd.state.wi.us](mailto:kerstka@dwd.state.wi.us) or FAX at (608) 267-7952.

**NOTE ➤** A request to add a bank to the FI listing must be sent in writing, either by e-mail or FAX. The first EFT transaction will occur in the next payment cycle. (The two-week "pre-note" requirement is no longer required.)

### ROLL-OUT

- 1) August 1, 2002, the department plans to make payments to all **new** providers who enroll a subsidized child via EFT.

- 2) August 1, 2002, the department plans to make all payments to **licensed group and family** providers via EFT. A flier will be sent out in early June to all licensed facilities currently active in the payment system to notify the providers about this change. Providers will be given two months to set up EFT payment method.
- 3) November 1, 2002, the department plans to make all payments to **provisionally and regularly certified** providers via EFT. A flier will be sent in early September to all certified providers to notify them of this change. Providers will be given two months to set up EFT payment.

## **CONTACT**

DWS CARES Information & Problem Resolution Center

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Note: Email contacts are preferred. Thank you.